

Message Text

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PAGE 01 CARACA 05743 032306 Z

63

ACTION ARA-17

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12

AID-20 EB-11 COME-00 INT-08 SCEM-02 OMB-01 TRSE-00

EUR-25 RSR-01 /150 W

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R 032135 Z JUL 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 416

LIMITED OFFICIAL USE CARACAS 5743

E. O. 11652: N/ A

TAGS: ENRG VE

SUBJECT: U. S. DISCRIMINATION CHARGED RE DUTY ON REFINED
PETROLEUM

1. LOCAL PRESS CARRIED AP ARTICLE DATED WASHINGTON
JULY 2, HEADLINED " OFFICIAL DENOUNCES U. S. DISCRIMINATION
AGAINST
VENEZUELAN REFINERIES." ARTICLE SAID FELIX ROSSI
GUERRERO, PETROLEUM ATTACHE, VENEZUELAN EMBASSY IN WASHINGTON,
CHARACTERIZED AS DISCONCERTING POSITION OF NIXON ADMINISTRATION
WHICH GIVES PREFERENTIAL TARIFF STATUS TO REFINED PETROLEUM
IMPORTED FROM CANADA. HE TERMED AS ACT OF DISCRIMINATION
AGAINST VENEZUELA, PRESIDENTIAL PROCLAMATION OF JUNE 19
WHICH PROVIDES LOWER RATES OF TARIFF INCREASES ON OVERLAND
REFINED PETROLEUM IMPORTED FROM CANADA THAN FROM OTHER AREAS,
WHEREBY TARIFF ON VENEZUELAN REFINED WOULD REACH 63 CENTS
PER BARREL BY 1975 BUT NOT REACH THAT RATE ON CANADIAN REFINED
UNTIL 1980.

2. ACCORDING TO WIRE STORY, ROSSI EMPHASIZED THAT US MADE
DECISION UNILATERALLY WITHOUT ANY CONSULTATION WITH VENEZUELA,
AT A TIME WHEN CANADA HAS DECIDED TO REDUCE TO A MINIMUM
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PAGE 02 CARACA 05743 032306 Z

ITS SUPPLY OF GASOLINE TO US . HE SAID VENEZUELA DOES NOT EXPECT ANYTHING ELSE THAN JUST NON- DISCRIMINATORY TREATMENT WHICH CAN GUARANTEE A SECURE POSITION OF ITS FUEL IN THE NORTH AMERICAN MARKET. THIS DOES NOT CONCERN A SINGLE COMMERCIAL PROPOSITION BUT RATHER THE FUNDAMENTAL CONCEPT OF THE ACTIONS OF FRIENDLY NATIONS.

3. WE WERE PREVIOUSLY UNAWARE OF JUNE 19 PROCLAMATION REFERRED TO BY ROSSI. VENEZUELAN GOVERNMENT AND PRESS LIKEWISE WERE IN THE DARK, SINCE THIS WAS FIRST REFERENCE TO MATTER HERE. IN FACT, MINISTRY OF HYDROCARBONS ONLY YESTERDAY REQUESTED BACKGROUND ON PRESIDENT' S LATEST ANNOUNCEMENT OF AN ENERGY POLICY OFFICE. WE HOPE WASHINGTON CAN PROMPTLY PROVIDE INFORMATION WHICH WILL ENABLE US TO REFUTE IF NECESSARY ROSSI' S CHARGES OF DISCRIMINATION RE TARIFFS ON REFINED PETROLEUM. AS A PRACTICAL MATTER, HOWEVER, IMPORTS OF THIS CATEGORY FROM VENEZUELA ARE MINIMAL. POLITICAL IMPACT MAY BE GREATER.
MCCLINTOCK

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*** Current Classification *** LIMITED OFFICIAL USE

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